

Course No. 105 - Establishing Basic Indirect Rates

Instructor:

Kevin Duncan, CPA, MBA

This premier course is designed to teach the FUNDAMENTAL processes for preparing company budgets and developing correct indirect rates that will allow a contractor to maximize the recovery of all allowable cost associated with a particular contract. The training will unravel the enigma surrounding indirect rates by providing an understanding of the basic concepts. The presentation and materials are based on Generally Accepted Accounting Principles (GAAP) and the Defense Contract Audit Agency (DCAA) basic auditing techniques. Additionally, the course covers the basic terminology, regulatory guidelines, the conduct of DCAA pre-award audits, analysis and development of the different indirect costs pools (Fringe, Overhead, and G&A), and proper allocation bases. Attendees will learn to project rates, develop business budgets, as well as learn to recognize the various rate structures. The instructors are highly seasoned in the art of crafting the indirect rate system. Course instruction is presented in an understandable and entertaining fashion. Take home materials include an information-packed manual, a budget spreadsheet diskette, and a certificate of training earning 8 CPE credit hours in Finance.

Prerequisite: Course No. 104: Building Effective Government Cost Proposals, **or** two years government contracting business experience, **or** staff professional.

Advanced Preparation: None

Instructional Method: Group-Live

Instructor Profile:

The workshop uses lecture and hands-on exercises to show participants how to establish audit compliant indirect rates and budgets for your business. The instructor, Mr. Duncan, is an accomplished CPA in the field of Government Cost Accounting, DCAA audit process, and the set-up of approved accounting systems.

Objective: To provide participants with the skills to effectively understand the processes involved in the indirect rate process and prepare for a DCAA audit.

Audience: Business owners and staff members, contract administrators, CPA's and CFO's new to government contracting, government contract specialist, and other interested parties.

Course Outline:

- Pre-Award Audits and DCAA
- Identifying Indirect Costs
- Indirect Cost Pools and Allocation Bases
- Primary and secondary Pools
- Estimating Sales
- Estimating Your Rates
- Projecting Your Rates
- Checking Your Estimate
- Identifying Unallowable Costs
- Rate Structures
- Estimating Your Competitor's Rates
- Calculating Your Wrap Rate
- Adequate Accounting Systems

- Manual & Budget Diskette
- Practical Exercises

Course Level: Basic